बिल्डिंग में प्रवेश करने वालों की जांच का कोई प्रबंध नहीं है। हालांकि मुख्य बिल्डिंग के अंदर एकाध मेटल डिटेक्टर लगा हुआ है, लेकिन मेन गेट पर मेटल डिटेक्टर नहीं लगाए गए हैं।

सुरक्षा व्यवस्था के मामले में कड़कड़डूमा कोर्ट की भी यही स्थिति है। इस कोर्ट के मेन गेट पर ही दिल्ली पुलिस के जवान तैनात रहते हैं और मेटल डिटेक्टर लगाए गए हैं, लेकिन इसके अलावा बाकी किसी भी गेट से अंदर जाने वाले व्यक्तियों की जांच किए जाने का कोई प्रबंध नहीं है। कमोबेश यही हाल नवनिर्मित रोहिणी कोर्ट का भी है।

मेरा सदन के माध्यम से केन्द्र सरकार से अनुरोध है कि वह दिल्ली की जिला अदालतों में सुरक्षा के समुचित उपाय किए जाने हेतु कारगर कदम उठाए।

GOVERNMENT BILLS - *Contd.*

The Government Securities Bill, 2006

THE VICE-CHAIRMAN (SHRI KALRAJ MISHRA): Now, we shall take up the Government Securities Bill, 2006.

SHRI P.G. NARAYANAN (Tamil Nadu) : Sir, we had requested the Chair to postpone this Bill.

श्री अमर सिंह (उत्तर प्रदेश) : सर, यह एक इम्पोर्टेंट बिल है, हम लोगों को कहा गया था कि आज यह नहीं किया जाएगा।

उपसभाध्यक्ष (श्री कलराज मिश्र) : यह आज के बिजनेस में है, इसलिए लेना पड़ रहा है।

श्री अमर सिंह : सर, हम लोगों को कहा गया था, अंदर हमको आश्वस्त किया गया था कि आज यह बिल नहीं लिया जाएगा। अगर इस तरह से लोकशाही में ...**(व्यवधान)**...

उपसभाध्यक्ष (श्री कलराज मिश्र) : जानकारी प्राप्त करने के बाद ही मैंने इस बिल को लिया है। ...**(व्यवधान)**...

SHRI P.G. NARAYANAN: Sir, there are no speakers.

श्री अमर सिंह : सरकार यदि स्वयं ही इसे पास करना चाहती है तो करे, हम लोग प्रतिवाद में सदन से वाक-आऊट करते हैं।

(तत्पश्चात कुछ माननीय सदस्य सदन से उठकर चले गए)

SHRI P.G. NARAYANAN: Sir, the views of Opposition should be respected. We are walking out.

(At this stage, some hon. Members left the Chamber)

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): Sir, I move:

> "That the Bill to consolidate and amend the law relating to Government securities and its management by the Reserve Bank of India and for matters connected therewith or incidental thereto as passed by Lok Sabha, be taken into consideration."

The law relating to Government Securities and their management by the Reserve Bank of India is laid down in the Public Debt Act, 1944. Over the years, a number of rigidities and deficiencies were noticed in the Public Debt Act and the rules framed thereunder. The procedures provided in the Public Debt Act were time-consuming and some of the provisions had ceased to be relevant to the present context. In the wake of tremendous increase in the volume of public debt, the RBI, agency banks and the treasuries were handicapped in improving customer service.

It was, therefore, decided to enact a new legislation in place of Public Debt Act, 1944, and to repeal the redundant Indian Securities Act, 1920, the predecessor Act to the PD Act. The recommendations of a Committee constituted to examine the entire gamut of Government securities management was considered for framing the new Bill.

The Government Securities Bill was introduced in Lok Sabha on December 21, 2004, and referred to the Standing Committee on Finance on December 23, 2004. The Standing Committee agreed that the enactment of this legislation would give greater scope for creation of a liquid Government securities market and also would bring forth considerable improvement in the securities transactions.

The Standing Committee recommended five amendments and suggested that the Government may explore the possibility of creating a dedicated fund wherein unclaimed amounts of Government securities could be kept and accruals under which could be utilised for enabling post maturity interest payment in bona fide cases by amending clause 23.

The Government examined the Report of the Standing Committee and accepted the recommendations of the Committee regarding the five amendments. On the issue of payment of post maturity interest and creation of a dedicated fund for the purpose, it was proposed to amend clause 23 to enable payment of interest beyond six-year limitation. However, it was proposed to delink the issue of payment of interest beyond

six years from creation of dedicated fund. Creation of dedicated fund was not supported on the grounds, *inter alia,* (i) administrative difficulties in setting up 29 funds; (ii) limited balances of unclaimed amounts; (iii) availability of payments beyond 20-year limitation for principal under extant arrangement; and (iv) limited anticipated inflows in future on account of demat.

The amendments were accepted by Lok Sabha. This Bill has been passed by Lok Sabha with amendments. I request this House to consider and pass this Bill.

The question was proposed.

श्री एस. एस. अहलुवालिया (झारखंड) : उपसभाध्यक्ष महोदय, बेहतर होता कि सारा सदन इससे सहमत होता और बेहतर होता कि संसदीय कार्य मंत्री इस चीज से सहमत होते कि सदन में बहिर्गमन नहीं होता और इसमें चर्चा होती।

(श्री उपसभापति पीठासीन हुए)

क्योंकि, महोदय, यह गवर्नमेंट सिक्योरिटी बिल किसी एक वित्त मंत्री का अपना बिल नहीं है, यह उनका अपना विधेयक नहीं है, बल्कि यह एक सरकारी बिल है, राष्ट्र का बिल है और गवर्नमेंट सिक्योरिटी के इस विधेयक के अन्तर्गत ही हम बाजार से जो कर्जा लेते हैं, जो मार्केट लोंस लिए जाते हैं या जो सिक्योरिटीज टाइम-टू-टाइम फंड रेज करने के लिए इश्यूज होते हैं या बॉन्ड इश्यूज होते हैं, वे इसी विधेयक के तत्वाधान में होते हैं। महोदय, मैं इस गवर्नमेंट सिक्योरिटी बिल, 2004 का समर्थन करने के लिए खड़ा हुआ हूं। इस विधेयक को लाने के लिए पहल बहुत पहले करनी चाहिए थी, क्योंकि अगर हम देखें कि दिन-पर-दिन जो परिवर्तन आ रहे हैं, मार्केट से जो कर्जा लिया जा रहा है, मार्केट से जो पैसा उठाया जा रहा है, 1980-81 में हमने मार्केट से करीब 3173 करोड़ लोन लिया था और वहीं 1990-91 में दस वर्ष बाद 11308 करोड़ था और 2000-2001 में यह 85341 करोड़ हो गया। महोदय, पिछले वर्ष इकॉनोमिक सर्वे के आंकड़ों के हिसाब से यह करीब डेढ़ लाख करोड़ से क्रॉस कर चुका है। यह एक बड़ा इम्पोर्टेंट विधेयक है और रिजर्व बैंक का जो 1944 का पब्लिक डेब्ट एक्ट है, जिसके माध्यम से आर0बी0आई0 अपने कंट्रोल में पब्लिक डेब्ट आफिस और डिपार्टमेंट ऑफ बैंकिंग ऑपरेशन एंड डवलपमेंट आदि के जो इंटरनल डिपार्टमेंट हैं, उनके माध्यम से उसको कंट्रोल करती है। महोदय, यह कर्जे प्रॉमिसरी नोट, बियरर बॉन्ड और स्टॉक और बुक डेब्ट के माध्यम से लिए जाते हैं और इसके दो फार्म हैं, एक तो सार्टिफिकेट की सेफ में और एक है in the form of accounts, which is called SGL accounts. महोदय, एस0जी0एल0 एकाउंट में परिवर्तन लाने के लिए आर0बी0आई0 ने 12 मार्च, 1985 में एक टी0एन0 अय्यर कमेटी का गठन किया, जिसमें आर0बी0आई0 के सदस्य, मिनिस्ट्री ऑफ फाइनेंस के सदस्य, लॉ एंड जस्टिस के सदस्य, स्टेट गवर्नमेंट -मध्य प्रदेश की राज्य सरकार, महाराष्ट्र की राज्य सरकार, तमिलनाडु और उत्तर प्रदेश तथा पश्चिमी बंगाल की राज्य सरकार को भी सदस्य रखा गया, उनके सदस्यों को, और इस पर गहन विचार किया गया। महोदय, जिस वक्त यह टी0एन0 अय्यर कमेटी विचार कर रही थी एस0जी0एल0 एकाउंट के बारे में उस वक्त इस देश में एक

बहुत बड़ा सेक्युरिटीज़ और बैंकिंग ट्रांजेक्शन का स्कैम हो गया, वर्ष 1993 में, जिसमें खासकर के एसजीएल अकाउंट को लेकर पब्लिक डेट ऑफिस पर आरोप आया। आरबीआई के पब्लिक डेट ऑफिस पर आरोप आये और जेपीसी ने उस पर काफी रिकमंडेशन्स कीं। मैं उस वक्त की ज्वाइंट पार्लियामेंट्री कमेटी का सदस्य रहा हूं। मैंने देखा है कि हर्षद मेहता का वह स्कैम, किस तरह से एसजीएल अकाउंट को लेकर ही हुआ और गवर्नमेंट सेक्युरिटीज़ को लेकर ही हुआ, किस तरह से मैनुप्लेशन हुआ? आज इसमें फाइन ट्यूनिंग की जरूरत है, इसलिए यह बिल लाया गया है। लेकिन इसके साथ-साथ बहुत सारी चीजें भी जुड़ी हुई हैं।

महोदय, अगर हम दूसरे पक्ष को देखें कि आज हमारे कंट्री की इकानामी को बर्बाद करने के लिए एक पैरलल इकानामी चलाने के लिए हमारा पड़ौसी देश 100 रुपये के नोट से लेकर 1000 रुपये के नोट जाली छाप रहा है। मैं मंत्री महोदय से उनके जबाव के वक्त यह भी जानना चाहूंगा कि यह जो फिजिकल सेक्योरिटीज़ हैं, जो लोगों के नाम पर इश्यु होती हैं, उसमें आज तक कितनी जाली सेक्योरिटीज़ पकड़ी गई हैं? जैसे अनक्लेम्ड सेक्योरिटी है, हमारे पास अनक्लेम्ड सेक्योरिटी का कोई छोटा अमाउंट नहीं है। महोदय, यह करीब 354 करोड़ 56 लाख का अनक्लेम्ड अमाउंट पड़ा हुआ है। यह अनक्लेम्ड सिक्योरिटीज़ का रिकार्ड पब्लिक डेट ऑफिस या एसजीएल अकाउंट में उसको 20 वर्ष तक मेनटेन करते हैं और 20 वर्ष के बाद नहीं करते हैं, हो सकता है कि पिछले 20 वर्षों में जो अनक्लेम्ड हुए, वह राइट ऑफ हो गये, उसका अमाउंट क्या था, मुझे नहीं मालूम? लेकिन ये जो अभी आज की डेट में एक्जिस्ट करते हैं - 354 करोड़ 56 लाख रुपये, इनके धारक कौन हैं, इनके असली मालिक कौन हैं? अगर वह मर गये, तो उनके बच्चे या उनके सक्सेसर या उनके सक्सेशन सर्टिफिकेट लेकर मांगने वाले लोगों का आज तक कोई फैसला क्यों नहीं हुआ है? सवाल यह था कि 6 वर्ष तक ही इसमें इंटरेस्ट दिया जाता है, उसके बाद नहीं दिया जाता है। मैं ऐज़ ए ले-मैन अगर सोचूं, तो एक हजार रुपये का नोट अगर मेरे पास 6 वर्ष तक पड़ा रहे, तो उस पर इंटरेस्ट नहीं लगता है या वह एक हजार रुपये का नोट 1006 रुपये या 1060 रुपये नहीं होता। पर हां, जरूर वह सेक्युरिटीज़ में अगर इन्वेस्टिड हो तो 6 साल में हर एक साल साढ़े छह परसेंट का इंटरेस्ट मिलता है, केवल 6 वर्ष तक, उसके बाद नहीं। उसके बाद भी उसको जिंदा रखने के लिए, उन सेक्योरिटीज़ को हमने स्टॉक मार्केट में जी-सेक ट्रेडिंग की परमिशन भी दी। हमने पिछले दिनों देखा कि सेबी के सामने नेशनल स्टाक एक्सचेंज, एनएससी के भीतर एक बहुत बड़ा स्कैम हुआ जी-सेक पर । जिसमें कुछ कोआपरेटिव बैंकों का नाम आया, इस बार तो इस पर कोई जेपीसी बनी नहीं, इसलिए मुझे मालूम नहीं कि वह एसजीएल अकाउंट में या पब्लिक डेट ऑफिस, आरबीआई में कोई गड़बड़ी थी या सीधे कोआपरेटिव बैंक के अकाउंट में ही थी। अगर मंत्री महोदय को पता हो, तो वह जरूर सदन को बताने की कृपा करें। यह सीरिज़ ऑफ irregularities जो होती हैं, जी-सेक के बारे में, इसके बारे में स्कैमस्टर को जो मेक्सिमम पेनल्टी है, वह पांच लाख रुपए की है - चाहे वह पांच सौ करोड़ का स्कैम कर रहा हो या पांच हजार करोड़ का कर रहा हो या पचास हजार करोड़ का कर रहा हो - सिर्फ पांच लाख रुपए की उसको सज़ा है और वह पांच लाख रुपए पे करके किनारे हो जाता है। जो पीछे जी-सेक पर स्कैम हुआ था, उसमें कुछ कम्पनियों ने - जब इन्क्वायरी चल रही थी और जब सेबी इसकी इन्क्वायरी कर रही थी, गवर्नमेंट सिक्योरिटीज़ के स्कैम पर - उस वक्त उन्होंने पांच लाख रुपए के चेक नत्थी करके अपने रीप्रेज़ेंटेशन के साथ भेज दिए थे और उन पर आगे कोई कार्यवाही नहीं हुई।

महोदय, गवर्नमेंट सिक्योरिटीज़ एक ऐसी चीज़ है, जिस पर आस्था होनी चाहिए, विश्वास होना चाहिए। जिस तरह से एक रुपए के ऊपर लिखा रहता है कि मैं वचन देता हूं कि मैं धारक को इतने रुपए दूंगा। उसी तरह गवर्नमेंट सिक्योरिटी का भी रहता है कि मैं धारक को इतने वर्षों बाद इतने रुपए दूंगा - जब वह इसे पेश करेगा तो इतने रुपए दूंगा। पर अगर, उसमें इस करेंसी नोट की तरह ही जाली सिक्योरिटी आ गयी या बिना फिज़िकल पोज़ेशन के उस पर ट्रेडिंग होने लगी और हम उस पर रोक न लगा सके, अंकुश न लगा सके, तो हम बाज़ार से कर्जा ज्यादा लेंगे, कमिटमेंट ज्यादा करेंगे और जिस वक्त हम देखेंगे कि हमारे अकाउंट में वाकई में उतने पैसे हैं या नहीं हैं, उस वक्त हम मुसीबत में पड़ जाएंगे। आज की तारीख में कानून के साथ-साथ सेबी के कानूनों में भी कुछ परिवर्तन लाने की जरूरत है जब आपने गवर्नमेंट सिक्योरिटीज़ को speculation market में अलाऊ किया है, बैंकों को। आज आप देखेंगे कि गवर्नमेंट सिक्योरिटीज़ का तो यह हाल हो गया है कि आज जितनी बैंकों की पॉलिसीज़ हैं, जो प्रायोरिटी सेक्टर है, जो कोर सेक्टर है, जहां बैंकों को कहा जाता है कि एग्रीकल्चर सेक्टर पर या स्मॉल सेक्टर पर या वीवर्स के लिए कर्जे देने हैं, वहां पर वे कर्जा देने में सकुचाते हैं और कहते हैं कि ये नॉन परफॉर्मिंग एसेट हो जाते हैं। आज वे अपना बेहतर लाभ प्रदान कर रहे हैं, गवर्नमेंट सिक्योरिटी पर ट्रेडिंग करके। मैं अपने वक्तव्य के साथ-साथ मंत्री महोदय से यह भी जानना चाहूंगा कि क्या इन्होंने बैंकों की बैलेंस शीट को देखते हुए ऐसा कोई रिव्यू किया है कि बैंकों ने अपनी कमाई गवर्नमेंट सिक्योरिटी के ट्रेड से ज्यादा बढ़ायी है? जो उनको कर्जे देने चाहिए थे, small scale industry को या tiny industry को या cottage industry को या agro-based industry को, वहां न देकर वे सारे पैसे को गवर्नमेंट सिक्योरिटी में लगा रहे हैं क्योंकि गवर्नमेंट सिक्योरिटी पर भी इनवेस्ट करने के लिए बैंक के ऊपर एक दबाव रहता है, एक परसेंट तक रहता है और उसके बाद वह गवर्नमेंट सिक्योरिटी की ट्रेडिंग में लग गए हैं। तो क्या हम वाकई इस बिल के माध्यम से या आगे गवर्नमेंट सिक्योरिटी की ट्रेडिंग पर कंट्रोल कर सकेंगे और इसमें irregularities न हों, स्कैम न हों, उस पर रोक लगा सकते हैं? क्योंकि मुझे बार-बार 1993 की बात याद आती है, जब आरबीआई का पब्लिक डेट ऑफिस एक घेरे में आया था और आरबीआई के पास जवाब नहीं था। हर्षद मेहता का एक बहुत बड़ा स्कैम हुआ था - वह हमारे राष्ट्र में पहला स्कैम था। उस वक्त सेबी नयी-नयी थी। खास करके कोऑपरेटिव बैंक्स में जो irregularities हो रही हैं, गवर्नमेंट सिक्योरिटीज़ को लेकर, उसके बारे में क्या-क्या नए प्रावधान लाए हैं, कृपया वे सदन को बताने की कृपा करें और 6 साल से ज्यादा जो रिकमंडेशन्स की गई थीं कि बीस वर्ष तक जिनका रिकॉर्ड रखा जाता है, इस एस.जी.एल. एकाउंट में, उसके बाद सिर्फ 6 साल तक ही उनको दिया जाता है, क्या उस पर विचार करेंगे कि 6 साल के बाद भी इसमें अगर categorise कर दें कि जो गवर्नमेंट सिक्योरिटीज़ या गवर्नमेंट बॉन्ड्ज़ इनडिविजुअल अपनी पेंशन के पैसे से खरीदता है, अपनी सारी जिंदगी की जमा-पूंजी से खरीदता है और जो पब्लिक सेक्टर बैंक या प्राइवेट सेक्टर बैंक इन्वेस्ट करते हैं, उनके इंटरेस्ट में और जो कॉरपोरेट इन्वेस्ट करते हैं या कोऑपरेटिव बैंक इन्वेस्ट करते हैं, उनके इंटरेस्ट में और इनडिविजुअल इन्वेस्टर के इंटरेस्ट में कोई फर्क होगा और इनको लंबे अरसे तक, जितने वर्ष तक वे अपने पास गवर्नमेंट सिक्योरिटी को रखते हैं, क्योंकि आपकी सिक्योरिटी जब ट्रेडिंग में आ गई है, तो वह कभी भी "अचल" नहीं हो रही, वह "चल" है। उसकी कीमत लगातार बढ़ती जा रही है, तो उस वक्त क्या करेंगे? दूसरी बात यह कि आपने गवर्नमेंट सिक्योरिटीज़ को ट्रेडिंग के लिए क्या कुछ मुख्य स्टॉक एक्सचेंजेज़ के मुख्य स्टॉक ब्रोकर्स को आइडेंटिफाई किया है? उसको

आप ऑक्शन करते हैं? अगर करते हैं, तो उसकी क्या पद्धति है, वह सदन को बताने की कृपा करेंगे कि वह संतोषजनक है या नहीं है। साथ ही, आज कितने लोग प्राइवेट में हैं, गवर्नमेंट को छोड़कर, प्राइवेट स्टॉक ब्रोकर्स - जो गवर्नमेंट सिक्योरिटीज़ को ट्रेडिंग कर रहे हैं? यही कहते हुए मैं इस बिल का समर्थन करता हूं, धन्यवाद।

DR. E.M. SUDARSANA NATCHIAPPAN (Tamil Nadu): Thank you, Mr. Deputy Chairman, Sir. I support this Bill, the Government Securities Bill, 2006. It is really a timely measure taken by the Government even though two years were lapsed after introduction of the Bill in Lok Sabha due to the consideration by the Standing Committee. The aspect of giving more mobility to the Government securities is the need of the hour. Sir, the public depends on the Government securities rather than on shares. Even though middle class people have been wooed by the share market, due to the unreliability of shares, sensex and other things, now, the people, especially the old-age people who have got their money in hand, want to put it in the Government securities. They feel that it is a very secured one: That can be very easily transferred to their LRs in the event of their death. Making this Bill as an Act, Sir, is really addressing the issues of *Aam-Aadmi* who really need this type of relaxation and more flexibility in transferring the Government securities. This Bill provides for making the nominations when a Government security is purchased by a person. In this way, unnecessary litigation can be avoided and the LRs can very easily get that money transferred immediately or continue with the security in their favour. In the same way, Sir, there are more flexibilities provided in the case of changes in the securities and the loss of bonds. Earlier, whenever it had happened, people were having lot of difficulties in getting the duplicate of that particular security. Clause 11 is very much needed, which says, "If the person entitled to a Government security applies to the bank alleging that the Government security has been lost, stolen or destroyed, or has been defaced or mutilated, the bank may, on proof to its satisfaction of the loss, theft, destruction, defacement or mutilation of the Government security, and subject to such conditions and on payment of such fees as may be prescribed, order the issue of a duplicate Government security to the applicant." This is very important. That is the need of the ordinary people. At the same time, I would like to draw the attention of the House to clause 4(2) which says: "Notwithstanding anything contained in the *Benami* Transactions (Prohibition) Act, 1988, or any other law for the time being in force, the Government securities may be held on behalf of a constituent in a constituents' subsidiary general ledger account under sub-section (1) and

the holder of such account shall be deemed to be the holder of the securities held in that account."

In the same way, in clause 5(3), there is a provision which says: "Any document relating to a Government security or any endorsement on a promissory note issued by the Government may, on the demand of a person, who for any reason is unable to write, shall be executed on his behalf in such manner as may be prescribed." When we club the aforesaid provisions, there is a lot of scope for *benami* transaction. A person, without knowing that he is holding a Government security, that security may be held by somebody, and by simply getting signatures, he can transfer it without the knowledge of the holder. Therefore, this type of things should be carefully considered. I hope that the Government will take note of these things while making the rules so that the *bonafide* holder is not cheated by some other person who is holding it as a *benami* transaction.

Sir, when the hon. Member, Shri S.S. Ahluwalia, was telling about the Government securities being traded by the banks, I recollect that as a member of the Finance Committee during the period 1999-2004, many of the banks were transacting business only on these Government securities. They wanted to make the balance sheet proper as if they had got so much of transaction, so much earnings, and they wanted to show the profit, because, at that time, many of the companies had gone away from India. They were not interested in getting the Government securities or any such thing. They were not getting any bank loans. They were depending on shares. Otherwise, they would have invested money in China or some other countries. Therefore, many companies had gone away from India. At that time, banks were not at all giving any loans to any agriculturists or to anybody else. They were just holdings these Government securities, transferring them from one bank to another bank, and even inter-banking transfers were made, and the balance sheets were made as if they were earning the profit. I would like to know how much transaction in terms of money was made during the period 2001-04 by the nationalised banks to show that the balance sheets were proper. How much transactions were made in the inter-banking transfers and how much transfers were made regarding the Government securities? This may be made public so that the things can be thrashed out properly through a public debate.

Regarding the other provisions which are made here, clause 25 refers to micro films, facsimile, copies of documents, magnetic tapes and computer print outs as documents of evidence. All these provisions are the

need of the day. When we are transacting business through computers and electronic mails, these should also be authenticated. A provision has been made in this particular Bill, taking into consideration the very conservative view of the Evidence Act. This particular provision is very much useful. The same is the case with hypothecation. More mobility is given for that purpose. In total, we can say, the Government Securities Bill is the need of the day. People will appreciate it, and it is very much needed for the ordinary people, that is, for *aam aadmi*. With these observations, I support the Bill.

SHRI TAPAN KUMAR SEN (West Bengal): Sir, I stand to support the Bill. But, at the same time, I seek some clarifications. No doubt, the Government securities, the instrument for public debt, have become the most crucial element as well as the lever for managing the national economy, which is growing, I understand, almost faster than the geometric progressions, and the situation demands updating of the old legislation, to make it relevant to its present day requirement. The Bill aims at smoothening the Government security transactions to make it an easier tool for hypothecation for raising resources and also ensuring its easy convertibility of one type of security or an older type of security into another type or a new type. And no doubt, to some extent, it will serve the purpose. This is, precisely, the job of consolidation, which is aimed at through this Bill.

But another aspect of the Bill, as has been told, is to ensure its effective management of Government security transaction by the Reserve Bank of India. I tried to go through the Bill; rather, I tried to understand the Bill as a layman on this subject. I think, on one thing, an assurance is required, particularly based on the experiences of so many scams on these that had taken place. Within the period of last one decade, a number of scams were there. After every scam, it was discussed in this House, and also outside, among the people, and every time, a more effective, regulatory mechanism has been talked about and promised so that this doesn't repeat in future. I want to understand, or, rather, I want to hear from the hon. Minister, that so far, updating the Bill is to meet the present-day requirement for easy transactions, faster transactions, mobility, convertibility and to also meet the requirement of the present-day economy, the Bill will serve the purpose. On the other hand, it is not clear how far managing the security market by RBI, within that managerial task, the regulatory or the preventive tasks and the required mechanism to prevent that kind of scams,

which practically and mainly puts the small investor into tremendous losses, could be achieved by that; whether within the framework of this Bill or whether it is being thought about, when the rules will be framed under it. But no doubt, this is also a very crucial requirement of the day that while security transactions have to be updated, it should be liquidified to make an important tool for managing the economy; at the same time, a strong regulatory, monitory mechanism also should be in place. I am not very sure how far this Bill can serve that purpose. I hope that in further framing of the rules, those aspects would be given more serious consideration. And with these words, I support the Bill. Thank you, Sir.

SHRI P. CHIDAMBARAM: Mr. Deputy Chairman, Sir, I am grateful to the three hon. Members, Shri S.S. Ahluwalia, Shri Sudarsana Natchiappan and Shri Tapan Kumar Sen, for broadly supporting the Bill. Naturally, a number of questions will arise on the Bill which is, rather, technical in nature. Sir, if the hon. Members have the Bill before them, they will notice that "Government security" is defined as "a security created and issued by the Government for the purpose of raising a loan....". So, whenever the Government raises money, it has to issue a piece of paper; that is a security. Section 3 specifies what forms this security can take. It can be a Government promissory note; it can be a bearer bond; it can be a stock--and that is explained in the explanation--and it can be a bond held in a bond ledger account. The most popular form of a Government security is a bond. Now, "stock" has been defined as "a stock certificate which certifies the underlying securities in the form of stock". These are the forms in which the Government will issue the securities. Hitherto, as was rightly pointed out, these securities were in material form or in physical form, and that, in fact, gives a great scope for misuse, for even a possible issue of fake securities. And much of the Scam of 1992 took place because, although entries were made in the SGL account, these securities were never delivered, never taken delivery of, and false entries were made in the SGL account. Now, the old Act had a number of rigidities and these were explained in my opening remarks. These rigidities were examined by the Standing Committee. The Standing Committee recommended that these rigidities deserve to be removed. Now, what are the rigidities that we have removed? As Members pointed out, we have now made it amply clear that the account will be operated by the Reserve Bank. Now, who can open an SGL account? An SGL account can only be opened by an agent as defined in section 2(a). He can open an account in his own name or he can open an account in his client's name. Those who

would be allowed to operate these SGL accounts will be banks and financial institutions. Banks can have clients on whose behalf they can open an account and that would be called "Constitutent's SGL account". It is like a bank account in a bank. Each constituent of a bank can ask the bank to open an account with the Reserve Bank to operate his securities which he is holding. The bank itself can hold securities and can, therefore, operate an account in the Reserve Bank to operate the securities that the bank is holding. So, the bank acts as the owner of securities; it also acts as the agent of the other clients who want to own Government securities.

Now, the bulk of the trade, today, in Government securities is by banks and financial institutions. Individuals holding Government securities are indeed very small. There is virtually no retail market in individual securities. It is really banks buying and banks selling or financial institutions buying and financial institutions selling. Some corporates find it advantageous to invest their money in Government securities, but individuals rarely buy Government securities. They prefer a savings bank account or a post office account or a public provident fund account. But the idea is to deepen the market so that the individuals can also buy Government securities. In fact, when the interest rates harden, it is more advantageous to deal in bonds rather than in shares because bonds are fixed interest instruments and there is an assured return on bonds. Of course, one has to be very careful to buy and sell at the appropriate time. But that, in fact, gives you a more assured income than the shares do. The idea is to encourage retail investors also through the banks to open constituent general accounts and buy and sell Government securities and make Government securities very liquid.

In the old Act many provisions, which are introduced in this Bill, were not there. Firstly, we have recognised the right of the holder to designate who will succeed. In the case of joint holders, if one person dies who will succeed? Or, in the death of a person, who will succeed? That is now provided for. Then we have provided for nomination of Government holders. Even when one is alive, one can nominate who will be the holder. That is provided for. We have provided for issue of duplicate securities, in case the person entitled to a Government security applies to the Reserve Bank alleging that he has either lost it or it is stolen or it is destroyed or it is defaced or mutilated, then the Reserve Bank, after holding an inquiry, if it is satisfied, issue a duplicate security. These were not there in the previous Act.

On interest, the Law of Limitation will apply. Once the debt crosses the period of limitation, the debt is extinguished. What we have provided is that the interest will stop running after the period for which the interest was promised. That is to protect the Government because I have promised to pay interest for six years; interest will stop running thereafter. To claim interest, you must claim interest within the period of limitation. Where no shorter limitation is fixed, we have provided a limitation of six years. The liability of the Government will, of course, terminate at the end of six years. The Government's liability cannot be kept open ended. The Government will have to know, at any given time, when its liability is extinguished. But we have provided an exception in clause 23 (2). I want to read it. It says, "Notwithstanding anything contained in sub-section 1 (which prescribes limitation) the Reserve Bank may specify the securities in respect of which the circumstances under which and the terms and conditions subject to which interest may be paid even after expiry of the period specified in the sub-section." In an extremely hard case, where somebody comes and says that for following reasons I could not claim my interest within the period of limitation, discretion has been given to the Reserve Bank to pay interest after looking into the circumstances of the case. So extreme hard cases can be dealt with under sub-section 2. Punishment has been provided for misuse of SGL, the kind of misuse that was noticed in the 1992 scam. After de-materialisation, such misuse is really not possible. Even so, if the misuse takes place, clause 27 says, "Where a subsidiary general ledger account is opened by the Bank in favour of any holder

> it comes to the notice of the Bank that the said account is being operated contrary to the terms and conditions...
>
> the subsidiary general ledger account transfer form has bounced due to insufficiency of Government security or funds;
>
> the Bank is of opinion that the account is being operated contrary to the banking practice;
>
> the subsidiary general ledger account is being misused in any manner,

the Reserve Bank may debar the holder of such account from trading with the subsidiary general ledger account facility temporarily or permanently as it deems fit."

So power has been given to the Reserve Bank to take stringent action to punish any misuse of the subsidiary general ledger account.

Now questions were raised about how many fake securities were issued to individuals. These securities are issued by the Government. We have not discovered any case of fake security issued by the Government to individuals. There has not been any case of fake security.

SHRI S.S. AHLUWALIA: What about bonds?

SHRI P. CHIDAMBARAM: We have not come across any Government bond which is fake as such. We have not come across any case of Government bond which is fake. The government bond is printed on security papers. It is numbered and it is ledgerised.

SHRI S. S. AHLUWALIA: Currency notes are there.

SHRI P. CHIDAMBARAM: Currency note is a different matter. There is mass production of currency notes. But Government securities are in much more limited number. Currency note is mass-produced. Secondly, there is no retail market in Government securities. Banks and institutions are buying and selling it. It is only when there is retail market in Government securities, there is this temptation to make something fake. Currency is retail. Therefore, there is a temptation to circulate fake currency.

SHRI S. S. AHLUWALIA: Actually, my point was about the National Savings Certificates.

SHRI P. CHIDAMBARAM: So far as the National Savings Certificates are concerned, yes, there have been cases where fake National Savings Certificates have been discovered. You are right. But so far as the Government securities are concerned, only banks are buying it.

SHRI S. S. AHLUWALIA: Kisan Vikas Patra also!

SHRI P. CHIDAMBARAM: I am not disputing that. Why are Government securities not claimed by people? The reason is many lose them or they are destroyed in fire or they do not know how to apply for a duplicate. There was no provision earlier. It is mutilated. From generation to generation, sometimes, from father to son, it is misplaced. They do not know how to claim the amount. The amount is very small, sometimes. Therefore, they do not know how to make a claim. These are the reasons why there are unclaimed securities. The amount is very, very small. The

amount is so small that it is less than a fraction of a per cent. In fact, Mr. Ahluwalia, gave the number as Rs. 354 crores. That number is taken from page 39 of the Standing Committee report. It is very, very small. The total Government securities run into lakhs of crores. Rs. 354 crores is a very small amount. When banks and financial institutions...

SHRI S.S. AHLUWALIA: You said that we are not retailing. If you are not retailing it, that means Rs. 354 crores is not in the physical possession of any individual. It is with some bank.

SHRI P. CHIDAMBARAM: I said that bulk of the Government securities are held and traded by banks and financial institutions. Individuals also buy ...

SHRI S. S. AHLUWALIA: What about Rs. 354 crores?

SHRI P. CHIDAMBARAM: I cannot now tell you that Rs. 354 crores belongs to an individual or to a bank. But my guess is, this perhaps belongs to some individual or some small holder who held a Government security. It is very unlikely that a bank or a financial institution will not make a claim on the Government security. But the amount is very, very small. We don't have a liquid retail market in Government securities. It is a fact that large numbers of individuals do not trade in Government securities. The idea is to deepen the market. The idea is to encourage individuals to buy and sell Government securities, and make the Government securities liquid so that the investors will buy and sell them. It must become as liquid as any other tradeable liquid securities. That is the idea. But we have not succeeded in that so far. The bulk, as I said, of Government security trading is by banks and financial institutions. I have also said that some corporates also hold Government securities because it is a safe avenue of investment. The number that has been mentioned in the Standing Committee's Report is Rs.354 crores. That is a very, very small number. For a variety of reasons, people don't claim and that is, therefore, lying with the Government.

Sir, then a question was raised about clauses 4 (2) and 5 (3). These deal, of course, rightly with overriding the provisions of the *Benami* Transactions Act because today a nationalised bank or a financial institution can open a Constituent's General Account for its clients. That should not be classified as a *benami* transaction. Therefore, clause 4 (2) states: "Notwithstanding anything contained in the Benami Transactions (Prohibition) Act, 1988, the Government securities may be held by one of these

institutions/agents on behalf of a constituent." Similarly, clause 5 (3) states: "Any document relating to a Government security, on the demand of a person who, for any reason, is unable to write, shall be executed on his behalf in such manner as may be prescribed." The Reserve Bank will prescribe, if the holder is a person who cannot read and write, how he should make a demand. A format will be prescribed and they would either ask for a thumb impression or a photograph or something. All that will have to be worked out after the Bill is passed. I would like to inform that the amount, which is unclaimed, has come down to less than Rs.200 crores, and most of these relate to old physical forms of security. My guess is that this figure of Rs.200 crores is unclaimed because the person, who is a holder, has either lost it, or, it has got mutilated, or, he is not able to trace it. It is, perhaps, lying in some corner of the house and he does not know how to trace it. It is too small an amount...

SHRI S.S. AHLUWALIA: You are the Finance Minister of a country. It is a very small amount for you. But a large number of people have held these securities which are worth around Rs.200 crores. Now how many people have held them? It is their life savings.

SHRI P. CHIDAMBARAM: We can find that out.

SHRI S.S. AHLUWALIA: When you are proposing to issue a duplicate certificate, will you give a notice? Would you say that anybody can apply for it?

SHRI P. CHIDAMBARAM: Yes; the procedures will be framed. Before a duplicate security is issued, obviously, procedures will be framed. We will issue a notice, "So and so has claimed for a duplicate certificate. Has anybody got any objection to it?" The procedures will be framed by the Reserve Bank. We are only passing a Bill now. Rules will be framed; regulations will be framed. We can find out who the original owner of these securities is. It will take a little effort. We can, certainly, go through these 200 crores worth of unclaimed securities and find out who the holder is. My guess is that it should be some individual or some HUF, who has had the securities, and has misplaced them. But we can find that out. All I am pointing out is that this related to the era of physical securities and, therefore, the danger of losing or mutilation was always there. But, now, in a DEMAT system, just like in the NSDL shares are held in a DEMAT form, the chances of mutilation, loss, etc. do not arise at all because it is in a dematerialised format. I think what we are doing now is to make the

Government Securities Act a modern law, having regard to the new technology that is available today and after having regard to the experience that we have gained after working with the public so far.

Sir, I am grateful to the hon. Members for supporting this Bill. I request the House that this Bill may, kindly, be passed.

MR. DEPUTY CHAIRMAN: The question is:

> "That the Bill to consolidate and amend the law relating to Government securities and its management by the Reserve Bank of India and for matters connected therewith or incidental thereto, as passed by Lok Sabha, be taken into consideration."

The motion was adopted.

MR. DEPUTY CHAIRMAN: We shall now take up clause-by-clause consideration of the Bill.

Clauses 2 to 35 were added to the Bill.

Clause 1, the Enacting Formula, the Preamble and the Title were added to the Bill.

SHRI P. CHIDAMBARAM:Sir, I move:

"That the Bill be passed."

The question was put and the motion was adopted.

MR. DEPUTY CHAIRMAN: Now, we again take up Special Mentions of those hon. Members who were not present earlier.

SPECIAL MENTIONS - *Contd.*

Concern over harassment of persons involved in recent alleged breach of PM's security

श्रीमती सुषमा स्वराज (मध्य प्रदेश) : उपसभापति महोदय, कुछ दिन पहले एक खबर आई - "प्रधानमंत्री जी की सुरक्षा में सेंध" । मैंने खबर को विस्तार से जानना चाहा। सारी खबर देखने के बाद मुंह से निकला - खोदा पहाड़, निकली चुहिया। दो युवतियां और एक युवक कार में बैठकर प्रधानमंत्री निवास पर उनसे मिलने चले गए। पहले गेट पर उन्हें किसी ने नहीं रोका, लेकिन गेट नंबर दो पर खड़े गार्ड ने उन्हें बताया कि प्रधानमंत्री जी से ऐसे मुलाकात नहीं होती है, पहले से समय लेना पड़ता है। यह सुनकर बिना झगड़ा किए वे तीनों वहां से वापिस चले